

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 429 – SB 429

April 5, 2011

SUMMARY OF AMENDMENT (004553): Authorizes persons eligible for disabled driver license plates who receive new specialty earmarked plates to obtain a decal to affix to their specialty plates. Requires specialty earmarked license plates with affixed decals be recognized as disabled driver license plates. Requires the Department of Revenue (DOR) to incur the cost of the decals in addition to the requirement in current law where the design, manufacturing and marketing cost of new specialty earmarked license plates are incurred by the department before distribution to the entity for which the plate is created, the Arts Commission, and the Highway Fund.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$4,800/One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- According to DOR, the operating budget for taxpayer services will be reduced by an amount sufficient to cover the cost of the decals.
- Directing an agency to use existing resources to perform a new function does not eliminate the fiscal impact of performing the new function since a new function that has a cost will reduce the agency's reversion.
- Disabled driver decals will still be required to be produced by the Department of Revenue.
- There are an estimated 200,000 plates that will be impacted. This includes the total number of disabled regular automobile and motorcycle plates, and current holders of specialty plates who have disabled placards.
- An estimated one-half (100,000) will change to another class of plate.
- The cost of producing the decals will be \$.048 each.
- The decals will be permanent and a new decal will only be issued when new metal plate is issued.

- The cost to issue 100,000 decals will be \$4,800 (100,000 x \$.048).
- There is no provision for an additional fee for the decal.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rct